

## *Levi Strauss & Co.* *California Transparency in Supply Chains Act*

1. Levi Strauss & Co. assesses the risk related to the apparel supply chain. Levi Strauss & Co.'s commitment to responsible business practices - embodied in our Global Sourcing and Operational Guidelines - guides our decisions and behavior as a company everywhere we do business. Since becoming the first multinational to establish such guidelines in 1991, Levi Strauss & Co. has used them to help improve the lives of workers manufacturing our products, make responsible sourcing decisions, and protect our commercial interests. The guidelines are a cornerstone of our business relationships with hundreds of contractors worldwide.

Levi Strauss & Co. utilizes Country Assessment Guidelines, which are part of the Global Sourcing and Operating Guidelines, to help assess any country-level issues that might present concern in light of the ethical principles we have set for ourselves. The Guidelines assist Levi Strauss & Co. in understanding risks and opportunities associated with conducting business in specific countries, including forced and prison labor.

Our Terms of Engagement (TOE), the contractor-specific component of our Global Sourcing and Operating Guidelines, specify the requirements by which all of our contract factories and licensees must abide — including ethical standards, legal requirements, environmental requirements and community involvement. They also set out employment standards and specifically address issues of child labor, forced labor, disciplinary practices, working hours, wages and benefits, freedom of association, discrimination, and health and safety. [Learn more about the TOE and our product sourcing requirements](#). Our risk assessment is performed internally.

2. Levi Strauss & Co. conducts audits of our suppliers based on the conditions outlined in our Terms of Engagement. We employ full-time factory assessors, located around the world where our suppliers are. These experts understand the scope of our labor and environment, health and safety standards and know the local languages, laws, culture and business context of each country in which we operate. They conduct regular assessments of every factory contracted to manufacture our products. These assessments are based on standards found in our [Social and Environmental Sustainability Guidebook](#), which all our suppliers receive in their local language. These assessments involve on-site and off-site discussions with workers, management interviews, review of factory records (such as timecards and payroll) and environment, health and safety inspections. Each assessment identifies areas for improvement and a detailed corrective action plan, including actions, responsible parties, and timelines. Regular follow-up visits are also conducted, to ensure suppliers are completing their corrective action plans on a timely basis.

We conduct both announced and unannounced audits that are performed by a third-party monitors or trained employees. We use third-party monitors for our product licensee suppliers of non-core products, including belts, watches, glasses and other accessories, and to supplement our own monitoring efforts. All third-party monitors used for our direct and licensee suppliers must be approved by Levi Strauss & Co. through a process that involves interviews and screening for proper qualifications. Once screened, the candidates must attend a Levi Strauss & Co. assessor training and pass an assessment review that includes a one-on-one, post-training interview with a Levi Strauss & Co. senior TOE assessor and a “shadow audit” in the field. Approximately 70 individual third-party monitors currently are approved to conduct TOE assessments in licensee factories.

3. Levi Strauss & Co.'s purchasing agreements require all suppliers to comply with applicable laws within the country of business, as well as our Global Sourcing and Operating Guidelines and our [Terms of Engagement](#) regarding forced and prison labor.

4. Levi Strauss & Co. maintains and enforces internal accountability procedures for employees and contractors regarding company standards in slavery and human trafficking. In the case of non-compliance, Levi Strauss & Co. reserves the right to examine the specific situation and develop a best possible strategy for resolution. If cases of non-compliance are not resolved within a timely manner, Levi Strauss & Co. may terminate the business relationship. While Levi Strauss & Co. wishes to aid in the resolution of incidences of human trafficking and slavery within Levi Strauss & Co.'s supply chain, it is not possible to effectively solve the issue of noncompliance without the cooperation of the supplier.

5. Levi Strauss & Co. conducts internal training on the Worldwide Code of Business Conduct annually to ensure we provide our employees with a clear set of standards and guidance for conducting our business with integrity and the highest degree of compliance with the law. Additionally, Levi Strauss & Co. conducts internal training of our supply chain management to ensure management are knowledgeable and aware of the issues and concerns surrounding the supply chain, including human trafficking and slavery, with a particular focus on mitigating risks.